DEC 0 8 1998

IN REPLY
REFER TO   DLSC-P
PROCLTR 98-22

MEMORANDUM FOR PROCLTR DISTRIBUTION

SUBJECT: Year 2000 (Y2K) Compliance

The purpose of this PROCLTR is to forward the Under Secretary of Defense (Acquisition & Technology) memorandum dated October 22, 1998 (Attachment 1), regarding the above subject. The memorandum advises that the information technology (IT) definition exemptions at FAR 2.101 do not apply to the Secretary of Defense memorandum dated August 7, 1998 (Attachment 2), or the Assistant Secretary, Command, Control, Communications and Intelligence memorandum dated September 23, 1998 (Attachment 3). Both of these memoranda address, in part, a prohibition on the obligations of funds for IT or national security systems that are not Y2K compliant. All contracts for national security systems and all contracts for items that will process date-related information must include the Y2K requirements at FAR 39.106.

Additional information regarding this subject is available in PROCLTRs 98-05 and 98-07.

This PROCLTR is provided for appropriate action and expires for record keeping purposes upon distribution to all contracting personnel. Should you have any questions regarding this matter, please direct them to Ms. Diana Maykowskyj, DLSC-POA, (703) 767-1364, DSN 427-1364, or E-mail to diana_maykowskyj@hq.dla.mil.

SHAW H. COHE
Captain, SC, USN
Deputy Executive Director
Procurement Management

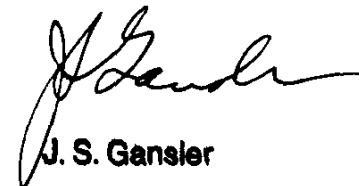Attachments

ACQUISITION AND
TECHNOLOGY

22 OCT 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Year 2000 (Y2K) Compliance

The Secretary of Defense memorandum dated August 7, 1998 and the Assistant Secretary of Defense, Command, Control, Communications and Intelligence memorandum dated September 23, 1998 address, in part, a prohibition on the obligation of funds for "information technology or national security systems" that are not Y2K compliant.

To assure compliance with the objectives of those memoranda, and to preclude the incorporation of non-Y2K compliant items into the Department's systems, the information technology definition exemptions at FAR 2.101 do not apply for the purposes of the two referenced memoranda. All contracts for national security systems and all contracts for items that will process date related information must include the Y2K requirements at FAR 39.106. Please contact Mr. R. N. Donatuti, PDUSD(A&T)DP/MPI by phone, (703) 695-1097, or e-mail donatum@acq.osd.mil, if you have any questions.

Please disseminate this memorandum to your contracting activities as quickly as possible.

J. S. Gansler

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
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COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Year 2000 Compliance

The Department of Defense (DoD) is making insufficient progress in its efforts to solve its Y2K computer problem. To improve the accountability for corrective actions, I am directing the following activities in addition to those already underway in this area.

I have asked the Chairman of the Joint Chiefs of Staff to develop a Joint Y2K operational evaluation program and he will give me his plans by October 1, 1998. Starting with their next quarterly reports to me, each of the Unified Commanders-in-Chief will review the status of Y2K implementation within his command and the command of subordinate components. Additionally, starting with the September 1998 Senior Readiness Oversight Council (SROC), the SROC will report on the readiness implications of Y2K.

By September 15, 1998, the Commander-in-Chief of the U.S. Strategic Command, the Senior Civilian Official (SCO) of the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (OASD(C3I)), and the Joint Staff Director of Operations (J-3) will provide to me a detailed report on the Y2K compliance of the nuclear command and control system. This report will be briefed to the DoD Y2K Steering Committee in September.

By October 1, 1998, the Services and Defense Agencies will each report to me on every Acquisition Category (ACAT) I, ACAT IA, and ACAT II system within their purview. Each report will address Y2K compliance or areas of noncompliance of each respective system, to include all related logistics and support systems. Each report will be co-signed by each respective program manager and Program Executive Officer or system command

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commander. This includes the Reserve and National Guard components. Reports will include corrective action plans for Y2K compliance.

The Military Departments CINCs, and Defense Agencies will be responsible for ensuring that effective October 1, 1998:

(1) The list of mission-critical systems under his or her respective purview is accurately reported in the DoD Y2K database, with each change in mission-critical designation reported and explained within one month of the change to the OASD(C3I).

(2) Funds are not obligated for any mission-critical system that is listed in the Y2K database that lacks a complete set of formal interface agreements for Y2K compliance.

(3) Funds are not obligated for any contract that is for information technology (IT) or national security system (NSS) that processes date-related information and that does not contain Y2K requirements specified in Section 39.106 of the Federal Acquisition Regulation.

(4) Funds are not obligated for any domain user in a Defense Information Systems Agency (DISA) megacenter if that domain user has failed to sign all associated explicit test agreements with DISA.

DISA will provide a report to the OASD(C3I) by October 15, 1998, listing all megacenter domain users who have failed to sign explicit test agreements with DISA by October 1, 1998. Based on OASD(C3I) recommendations, OUSD(Comptroller) (OUSD(C)) will place domain user funds on withhold.

The OUSD(C) will issue guidance to the Military Departments and Defense Agencies on the funding prohibitions described above before October 1, 1998. Program managers for IT or NSS with critical funding needs may seek a waiver from these funding prohibitions. The SCO of the OASD(C3I) may grant waivers to allow funding on a case-by-case basis.

We will take a hard look at progress in November and December. If we are still lagging behind, all further modification to software, except those needed for Y2K remediation, will be prohibited after January 1, 1999.

I ask for your personal, priority involvement as we address this critical national defense issue.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

23 SEP 1998

COMMAND, CONTROL,
COMMUNICATIONS, AND
INTELLIGENCE

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
           CHAIRMAN OF THE JOINT CHIEFS OF STAFF
           UNDER SECRETARIES OF DEFENSE
           DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
           ASSISTANT SECRETARIES OF DEFENSE
           GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
           INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
           DIRECTOR, OPERATIONAL TEST AND EVALUATION
           ASSISTANTS TO THE SECRETARY OF DEFENSE
           DIRECTOR, ADMINISTRATION AND MANAGEMENT
           DIRECTORS OF THE DEFENSE AGENCIES
           CHIEF, NATIONAL GUARD BUREAU

SUBJECT: Year 2000 (Y2K) Compliance –FY 1999 Reporting Requirements

The Secretary's memorandum entitled "Year 2000 Compliance," dated August 7, 1998, directs several measures by specific dates to improve the accountability for Y2K compliance. To carry out the Secretary's requirements, the OSD staff developed an implementation plan that underscores the need for accurate mission critical information in the DoD Y2K database. Guidance for the Acquisition Category I, IA, II system reports will be provided separately, since this information will not be used in the determination of Y2K related FY 1999 funding withholds.

The Military Departments, the Commanders-in-Chief, and the Defense Agencies are responsible for consistent, accurate and timely submission of Y2K information for the DoD Y2K database. In this regard, the data reporting requirements found in the ASD (C3I) memorandum, "Year 2000 Assessments," dated August 1, 1996, and the ASD (C3I) memorandum, "System Interfaces, Data Exchanges, and Defense Integration Support Tools," dated November 5, 1996, no longer apply. While my staff is available to assist you in your actions to insure the accuracy of the Y2K database, each Component is responsible for all actions necessary to eliminate redundancies and inaccuracies of system and subsystem reporting. Each Component must ensure adherence to my memorandum entitled "Year 2000 Database Reporting," dated June 19, 1998. The updated and corrected Y2K database as of October 1, 1998 will serve as the baseline for Y2K mission critical systems.

To further comply with the Secretary's direction, additional information is necessary to record and maintain the status of formal interface agreements for Y2K compliance. Each Component is responsible for determining that there is a complete set of interface agreements for all pertinent mission critical systems under its purview. Defense Information Systems Agency (DISA) will provide by September 25, 1998, to my Resource Management office a list of all megacenter domains
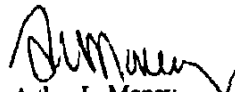
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and associated domain users who have failed to or are not planning to sign explicit test agreements with DISA by October 1, 1998. DISA will provide a copy of this list to each affected DoD Component. DISA will also provide the estimated resources provided by these domain users.

As part of the Department's upcoming apportionment process, the Office of the Under Secretary of Defense (Comptroller) will direct the Services and Defense Agencies that all funds for each mission critical system be withheld from obligation until the system meets the standards of the Secretary of Defense memorandum. On a case-by-case basis, I will consider granting waivers for individual systems that are necessary to ensure the performance of essential military functions, or that are based on safety considerations. Withheld funds will be released through the normal fund release process. My staff will hold period reviews on the status of Y2K withhold funds.

Prior to obligation of funds, the Military Departments, the Commanders-in-Chief, and the Defense Agencies are responsible for making sure that any contract that processes date-related information contains the Y2K requirements specified in Section 39.106 of the Federal Acquisition Regulation.

To assist you in these efforts, additional guidance documents are available on the C3I WEB page (www.dtic.mil/c3i/). For comments and questions, my point of contact is Ms Sally Brown, 703-602-0967, sally.brown@osd.pentagon.mil.

Arthur L. Money
Senior Civilian Official